THE MINISTER OF SMALL SCALE INDUSTRIES (SHRI MAHABIR PRASAD): (a) Various concessions/incentives are provided to the small scale industries (SSIs) which, *inter alia*, include Central excise exemption up to Rs. 1 crore to the units with annual turnover of up to Rs. 4 crore under the General SSI Excise Exemption Scheme, exemption from collateral security requirements for loans up to Rs. 5 lakh (up to Rs. 25 lakh for units with good track record and financial position), capital subsidy of 15 per cent with a loan ceiling of Rs. 1 crore under Credit Linked Capital Subsidy Scheme for Technology Upgradation of SSIs, reimbursement of charges for acquiring ISO-9000/14001 certification to the extent of 75 per cent of the cost subject to a maximum of Rs. 75,000/-, reimbursement of fee to the extent of 75 per cent subject to a maximum ceiling of Rs. 40,000/- under Performance and Credit Rating Scheme for SSIs, etc.

(b) and (c) Yes, Sir. Under various schemes, conditions have been laid down to ensure that only SSI units avail of these concessions/incentives and not large scale industries.

Credit Linked Capital Subsidy

1028. SHRI C. RAMACHANDRAIAH: Will the Minister of SMALL SCALE INDUSTRIES be pleased to state:

(a) whether Government have launched a scheme on Credit Linked Capital Subsidy;

(b) if so, the details thereof;

(c) the criteria fixed for getting assistance under the scheme; and

(d) the number of SSI units in Andhra Pradesh benefited by the scheme?

THE MINISTER OF SMALL SCALE INDUSTRIES (SHRI MAHABIR PRASAD) (a) Yes, Sir.

(b) The Credit Linked Capital Subsidy Scheme (CLCSS) for technology upgradation of Small Scale Industries was launched in October 2000. The Scheme has been revised with effect from September 29, 2005. The revised Scheme aims at facilitating technology upgradation of small scale industries, including tiny, agro and rural industrial units, by providing 15 per cent upfront capital subsidy (12 per cent prior to 29.9.2005) on institutional finance availed of by them for induction of well-established and improved technology in specified sub-sectors/ products approved under the scheme. The admissible capital subsidy under the revised scheme is calculated

with reference to the purchase price of plant and machinery. The maximum limit of eligible loan for calculation of capital subsidy under this Scheme has also been raised from Rs. 40 lakh to Rs. 100 lakh.

(c) The revised guidelines prescribed for availing of subsidy under the CLCSS, *inter alia,* include the following:

(i) Subsidy at the revised rate of 15 per cent of the eligible investment in plant and machinery under the Scheme is available only for those beneficiary units, where term loans have been sanctioned by the eligible Primary Lending Institutions on or after September 29, 2005.

(ii) Units availing of subsidy under the CLCSS cannot avail of any other subsidy for technology upgradation from Central/State/UT Government. However, cases covered under National Equity Fund Scheme, which are otherwise eligible under CLCSS, can be covered under this scheme.

(iii) Units in the North Eastern Region which are availing of financial incentives/subsidy under any scheme of the Government in the region are also eligible for subsidy under the CLCSS.

(iv) Replacement of existing equipment/technology with the same equipment/technology does not qualify for subsidy benefit under CLCSS. This Scheme is also not applicable to units upgrading their technology with second-hand machinery.

(d) 74 SSI Unit in the State of Andhra Pradesh have so far availed of benefits under the CLCSS since its inception.

Grouping of Industries

1029. PROF. R.B.S. VARMA: Will the Minister of SMALL SCALE INDUSTRIES be pleased to state:

(a) the rationale behind the latest policy of Government to group small scale industries with medium scale industries (SMEs), thereby hoping that small would automatically graduate to medium;

(b) in what way Government presume that small scale industries would graduate to medium scale, by grouping the two categories together;

(c) what incentives are small scale industries being given to graduate to medium scale;